

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7305

BILL NUMBER: HB 1537

NOTE PREPARED: Jan 10, 2013

BILL AMENDED:

SUBJECT: Abandoned Houses.

FIRST AUTHOR: Rep. Price

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill permits an enforcement authority to file a praecipe for a sheriff's sale following a foreclosure action if:

- (1) the creditor does not file a praecipe within 30 days; and
- (2) the enforcement authority has issued an abatement order with respect to the property.

It requires the plaintiff in a mortgage foreclosure action to notify the appropriate enforcement authority:

- (1) when the plaintiff files the complaint; and
- (2) if the complaint is dismissed.

It permits an enforcement authority to petition a court to determine that a property is abandoned before a creditor has filed a foreclosure action. The bill requires the enforcement authority to serve a copy of its petition on the debtor, creditor, and any other appropriate party.

The bill also provides that, if a court finds that the property is abandoned, the creditor must file a foreclosure action within 90 days.

It makes conforming amendments.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill has indeterminate fiscal impact on court caseload with potentially more court actions to determine a property is abandoned. The bill also establishes notice requirements and time limits that could lead to further actions by enforcement authorities.

To the extent that more creditors could bring properties into foreclosure within a shorter period of time, enforcement authorities may have some cost savings from activities associated with maintaining abandoned property.

Court fees are not collected from political subdivisions for actions brought on behalf of the political subdivision. However, court fees may be assessed of the defendant if the political subdivision is successful in its action.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Enforcement authorities.

Information Sources:

Fiscal Analyst: Karen Firestone, 317-234-2106.